

CHRONICLES  
OF  
THE BUILDERS  
OF THE  
COMMONWEALTH

Historical Character Study

BY  
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there daily bought and sold. The facilities thus afforded for operations increased the speculative character of the business, gave opportunities for combinations and stock-jobbing manipulations, and resulted in great fluctuations of market values.

Before the end of that year, all but a few thousands of Mr Sharon's accumulations had melted away, and he found himself but little richer, except in experience, than when he had first established himself in San Francisco.

The early bonanzas of the Comstock became worked out, the stock of the various mining companies were almost valueless, the mills were idle for want of ore, the expense of prospecting and dead work at the depth of five hundred feet was enormous, the possible results were doubtful, the population of Virginia City was diminishing, and it seemed as though the Comstock had, like a brilliant meteor, blazed and disappeared.

Nearly all of the Comstock companies, both corporate and private, had built and then owned one or more reduction-works or mills. Nearly all were run by steam, at a cost for fuel of \$15, and in times of stormy weather, even of \$25 to \$30 per cord.

Some were run by water power, and were on the Carson river, thirteen miles distant from the mines. To these ore was transported in wagons drawn by six and twelve mules, at a cost of five to eight dollars a ton.

The cost of milling, when done by contract mills, was twenty dollars and upward per ton. Timbers for the mines and lumber cost \$40 to \$50 per thousand feet.

Several firms at Virginia City, bought, at ruinous rates to the mines, the bullion produced, and made advances of money at rates of interest ranging from three to eight per cent per month.

Early in 1864 the Bank of California, with D. O. Mills as president and W. C. Ralston as cashier, had

been incorporated, with a capital of two million dollars, afterward increased to five millions, and had taken the business and place of the banking firm of Donohoe, Ralston, & Co., in which firm Mr. Ralston had held the like position of cashier.

Neither institution had had any branch at Virginia City, though all the important mining incorporations kept their deposit accounts with and paid their dividends through the bank in San Francisco. The bank became the almost exclusive financial agent of the entire business relating to the development and working of the Comstock lode and to the milling of the ores.

At times a large part of its capital was thus temporarily employed, and the mining companies were nearly at all times largely its debtors.

In August of that year, two of the largest private firms dealing in bullion in Virginia City failed, owing the Bank of California a large amount of money.

Thus, upon the exhaustion of the ore bodies, the financial outlook assumed new importance, and even danger to the bank. Unless other discoveries should be made, the companies would be unable to pay their indebtedness, and if the bank should refuse to continue its financial aid, the companies would be unable to go on with the work of exploration.

Ralston, though nominally only cashier, was in reality the manager and autocrat of every department of the bank. Its officers and directors had the same unbounded faith in his genius and masterly methods that was accorded to him by public opinion, and which he seemed to have merited by his success in making the Bank of California the foremost financial power of the coast. His was the leadership to which all looked for the successful inception and conducting of every great local enterprise.

Sharon knew and understood the whole situation of the Comstock mines, and their relation to the Bank of California. Though his experience with the min-

ing shares had cost him nearly all his prior accumulations, it had opened to him a field of study from which he gathered knowledge, and from the knowledge, influence and power which ultimately brought to him fifty times the fortune he had lost. He had visited Virginia City at the request of Ralston, and carefully and thoroughly examined the mines and every industry connected with them. With the aid of the most competent mining experts he had inspected and made himself familiar with the lode, and wherever it had been mined, with its formation, its ore bodies, and their relation to the barren portion, as well as their relative positions to each other. He had studied the details of the system and the cost of mining and timbering, of operating hoisting-works and other mining machinery, the sources, cost, and methods of procuring fuel, timber, and water, the means of transportation of ore to the mills, and the methods and cost of ore reduction. He had given due attention to the extent and methods of general business in the town, and of its financial outlook and facilities. No man on the coast, not even Ralston, had so clear an understanding of the general outlook of the Comstock, and of the difficulties under which it was being mined, or was better fitted to devise plans which might be advantageous to it and likewise beneficial to the bank.

The intimacy which existed between himself and Ralston, and their mutual confidence in and regard for each other, gave Sharon the opportunity and the right to confer with Ralston, and to offer suggestions as to the policy of the bank with reference to so important an interest as that of the Comstock.

He urged the necessity of establishing at Virginia City a branch of the Bank of California, which should carry on a general banking business of deposit, discount, and exchange; that by this means the parent bank would at all times know the exact status of the local mining operations, and of all collateral and de-

pendent industries and enterprises. The financial pulse of the Comstock would throb under the finger of the bank, thus indicating its phases of debility or plethora, and enabling the bank to give or withhold aid upon an intelligent system. He declared his faith, and the reasons for that faith, in the permanence of the great lode, and in its development of other bonanzas. He pointed out modes of retrenchment in cost of administering and operating the mines, and in the reduction of ores.

He insisted that it was the right and duty of the bank, while taking the risk attendant upon its financial relations with the mining companies, to know every detail of their operations, and to have the power to control them; that this could be accomplished only by and through the method suggested; that if the bank would establish the branch and give him the management of it, he would move to Virginia City and devote five years to such service.

Ralston determined to do so. The action of the directors of the bank was of course necessary. They favored the project of the branch, but they did not favor the appointment of Sharon as its manager. They were technical in their theories of men, and as Sharon had but just now lost his own fortune, he was, in their opinion, scarcely the proper person to administer the affairs and fortunes of another. Ralston knew better. He knew that Sharon was shrewd and intelligent, though bold and enterprising; that his life and business operations in San Francisco had been characterized by great steadfastness of purpose and careful deliberation; that his misfortune had been the result of circumstances that no one could have foreseen and that no one had anticipated, to wit, the exhaustion of ore bodies on the great lode, which all had believed to be inexhaustible, and whose unexpected lessened production had affected the bank itself.

He determined that Sharon should be put in charge of the proposed branch, and as an unanswerable argu-



ment to the directors, he declared his readiness to be personally responsible for Sharon's successful administration.

As was usual, the directors yielded to him, and the project was adopted in its entirety. On the 6th of September, 1864, the branch bank was established, and Sharon was given its entire management. Few men would have had the courage and self-reliance to assume so great a responsibility in the face of the existing circumstances. Experience in his new field of action soon demonstrated to him that he had underestimated the difficulties of the situation. The mining work had reached the depth of what was called the water level, where the additional expense of pumping would have to be incurred; population was emigrating to other mining districts, and had diminished fifty per cent; none of the mines were in bonanza, and some were being abandoned; the old dump piles and the remnants of ore bodies near the surface were being searched over for scraps of pay ore; the prevailing feeling of the community was one of discouragement; and the conviction had become fixed that Virginia was, in miners' parlance, "a played-out camp."

The ebbing tide was almost as swift as had been the flood. To check the ebb was Sharon's purpose and his confident expectation. The directors of the bank in San Francisco began to regret the organizing of the branch, and became as despondent as were the owners and miners of the Comstock. A dozen or twenty mills had been turned over to the bank for advances made, and the assets of other debtors failed to realize a tenth of their liabilities. Some of the directors proposed to close up the whole Virginia City business, abandon further effort there, realize what could be got for the almost valueless assets, and charge up the deficiency to profit and loss.

Mills and Ralston visited Virginia City to look into the state of affairs and to advise what should be done. It was the crisis of Sharon's influence and of the

Comstock's future. He listened to Mills' report of the views and half-formed determination of the directors of the bank. Then fortified with data and statistics, he exhibited in figures the enormous extravagance under which, in every department of administration and of operations, the affairs of the Comstock had been conducted, while producing ore, and which extravagance had been continued at the expense of the bank after one had failed. He demonstrated that it was the duty and in the power of the bank, being so large a creditor of all the mining companies, to fix and control every expenditure of administration of affairs above ground, and to better and more economically systematize the mining operations; and that the practical way to accomplish such reform was for the bank to obtain from the mine shareholders their proxies, and elect boards of directors whose management should be wise, just, and satisfactory. He went into detail of numerous methods of diminishing the cost of prospecting, mining, and milling. He brought into the conference the most intelligent and experienced mining superintendents of the lode, and fortified his own expressed belief in future developments by their opinions and the reasons on which those opinions were based. He declared his conviction, and was supported in it by the superintendents, that a lode so extensive in its length and breadth, and which had yielded so many millions in its first 500 feet in depth, would be an anomaly in all mining experience if it should fail to disclose greater bonanzas at greater depth. He pointed out the benefits which would be derived to the bank and to the whole Pacific coast if such bonanzas should be found and should be judiciously and economically worked. He urged that if the bank were to withdraw its aid at this critical moment, the whole Comstock would be abandoned, Virginia City would be a ruin, the bank would lose every dollar already in jeopardy, and San Francisco would not escape its share of the financial catastrophe.

He proposed that the bank would stand behind him and permit him to take in hand one or two of the most promising shafts on the lode and sink to a greater depth, at the same time working economically such remnants of ore as had been left in the upper works, thus diminishing the cost of the deeper explorations; and suggested, as points favorable for such prospecting, the Chollar shaft and one of the Gold hill group.

Mills expressed the opinion that the board of directors would not consent to take the risk. Ralston acquiesced in Sharon's views, and at once declared that he would agree to be personally responsible for any loss that might result to the bank by its adoption of Sharon's plan. The declaration was illustrative of Ralston's faith in Sharon, and was in conformity with his business habits. Whatever pursuit he felt justified in recommending, he was ready to indorse and guarantee.

Mills, who had previously had but slight personal acquaintance with Sharon, returned to San Francisco full of respect and admiration for his lucidity, his energy, and his courage, and expressed his confidence in him by declaring that he was the right man in the right place. Ralston, though he had always esteemed and liked him, came back his avowed, immovable friend.

The directors passively yielded to the will-power of Ralston and to Mills' favorable opinion of Sharon. Ralston and Sharon, with the financial aid of the bank, undertook the programme thus mapped out for the restoration of the Comstock and the recuperation of the apparent losses of the bank.

The work of sinking and prospecting in the Chollar and the Yellow Jacket mines was continued steadily and economically; while at the same time, in all the mines over which the bank or Ralston and Sharon had secured control, the old ground was worked over, and the profits of such work were used toward liquidation of liabilities.



The people of Virginia City generally had but little confidence in ultimate beneficial results, and regarded the new movement as the effort of a forlorn hope, giving only a spasmodic vitality to an exhausted lode. Sharon felt keenly the responsibility of his position, and the necessity to avoid mistakes or disaster. In addition to the administration of the affairs of the local bank, he looked after every detail of the mining and milling operations, devoting all his spare time and energy to the task which he had assumed. For more than a year the only improvement in the situation was in the more systematic method of work, in the diminished expenditures proceeding from judicious economy, and in the small profits derived from ores obtained from the old ground. Still even this much was advantageous as preparatory to greater profits from new bonanzas, should such be discovered.

Among other explorations which he had undertaken was the extension of a drift into the Kentuck mine from the 230-foot level of the Crown Point, which joined Kentuck on the south. A shaft had been previously sunk on Kentuck to the depth of 100 feet, but had found no ore; Yellow Jacket, lying next to and north of Kentuck from the level mentioned. So firm was his belief in favorable results, that he and Ralston purchased nearly all of the Kentuck ground.

Before the end of 1865 Sharon had found his first bonanza.

The people of Virginia City no longer thought him visionary; the directors of the bank grew confident of his judgment, and Ralston triumphed in his success. The ore discovered was followed to a depth of several hundred feet, and yielded two millions of dollars.

A controlling interest in the stock of Yellow Jacket and Chollar was in like manner secured, and the explorations in those mines vigorously pushed. In both, large bodies of pay ore were found, many millions of dollars were produced, and the payment of dividends was resumed. For several succeeding years the three

mines named kept alive and encouraged public faith in the Comstock, and stimulated exploration by other companies at other points upon the lode.

Before four years had expired Sharon had become a millionaire, and was popularly styled both in Nevada and California the king of the Comstock. He no longer found it necessary to persuade or to solicit approval. His opinions and his suggestions met ready acquiescence and adoption.

But with his experience and wealth he had acquired broader and more comprehensive views with regard to the Comstock.

He believed that other rich ore bodies would continue to be found so long as the work of exploration continued to be practicable. But he was also convinced that the existing system could be beneficially modified in many respects. Chief among these was in the milling of the ores, and in the cost of their transportation from the mines to the mills. The latter were scattered about upon the hillsides and in the ravines in almost every direction, and, being run by steam, were often in the winter season compelled to stop work for want of fuel or ore, owing to the impassable condition of the roads. Transportation and fuel were therefore important items in the cost of reduction.

To meet and overcome both the impediments, Mr Sharon proposed to organize two corporations, one of which should purchase from the Bank of California all its mills, move them to the Carson river, unite several into one, change their motive power from steam to water, and contract with the mining companies for the milling of their ores at reduced rates; the other to construct a railroad from the mines to the Carson river, whereby at all times ores could be transported at great reduction on existing rates, and mining timbers and fuel for the hoisting-works be brought back as return freight.

Both propositions met with prompt favor, and

organizations followed to put them into action. The Union Mill and Mining company was incorporated, with a capital of \$1,500,000, in 15,000 shares, owned by Sharon, Ralston, Mills, and others, but subsequently all acquired by the three named. The mills owned by the bank were purchased by the corporation, were moved and modified as suggested, and when completed had a capacity and facilities for reduction of 2,000 tons per day. The Virginia and Truckee Railroad company was next incorporated, and its entire stock became the property of Sharon, Ralston, and Mills. These enterprises, projected by Sharon, were so conducted by him that Ralston and Mills were called upon for but little pecuniary aid, and before the year 1875 the Union Mill and Mining company had netted Mills over two millions of dollars, and Ralston and Sharon over four millions each. In recognition of the public benefit to be derived from the proposed railroad, the state of Nevada, through the influence of Mr Sharon, granted the corporation a liberal subsidy in money, and many of the mining companies of the Comstock advanced to it large sums, to be repaid in the transportation of freight.

The road was constructed and well equipped at a cost of about \$1,250,000, and was subsequently connected with the Central Pacific at Reno, at a further cost of \$1,750,000. It was a success from the beginning, and notwithstanding its schedule of charges caused a reduction of more than fifty per cent in the freight of ores, and of twenty-five to fifty per cent in the cost of fuel, timbers, and other materials returned to Virginia City, it yielded, and it still yields, to its owners an enormous revenue.

Although each of these great enterprises brought large profits to their owners, and greatly lessened the cost of mining operations, it was not for those reasons alone that Sharon rejoiced. It was because he felt that he had thus acquired the means to demonstrate the correctness of his early predictions, to wit, that

the Comstock lode had only begun to yield its hidden treasures. No power now stood between him and the exercise of his own indomitable will. Hitherto, ores that did not yield thirty dollars and upward per ton would not justify the cost of mining, hauling, and milling. Hence when ores of higher grade were exhausted, prospecting for other deposits involved the necessity of loans from the bank or assessments from stockholders, both of which were impediments to thorough mining and possible development. Now it would be practicable to work the vast bodies of low-grade ore left in the mines, and of which there were thousands and tens of thousands of tons, and in so doing to possibly discover richer ores, or at least earn something to pay the cost of deeper prospecting.

All along the Comstock more active work was resumed, not alone in the mines under Sharon's control, but also in others that had for a long time been dormant. The population of Virginia City began again to increase; and all the local industries became more active and prosperous. With his aid and promised patronage companies were organized for supplying the mines with lumber, timbers, and fuel at reduced rates; timber-lands in the forests of the Sierra were secured from the United States; saw-mills were erected; roads, tramways, and flumes were constructed; and wherever an industry beneficial to the Comstock operations could be devised or promoted, there his influence and means were actively employed. Through these channels of economy Mr Sharon was enabled, after the exhaustion of the ore bodies discovered by him in Kentuck, Yellow Jacket, and Chollar, to continue the work of exploration, and to facilitate exploration by others.

He had become the leading influential man of Nevada in its social, industrial, and political affairs. Ambitious men sought his favor and support, and solicitations were pressed upon him to allow his name to be chosen to represent the state in the senate of

the United States. He declined all political honors so long as his purpose to effect a thorough and deep exploration of the Comstock remained unfulfilled.

He had devoted six years of untiring effort in that direction and had brought forth from three of its principal mines more than twenty millions of dollars, which but for those efforts might never have been added to the bullion of the world. Still he had not achieved what he believed it was possible to achieve; and for that reason he persevered. Others too, encouraged by his results, had pushed mining operations into the depths so that at the end of those six years many of the shafts had penetrated to the depth of a thousand and one or two to the depth of eleven hundred feet. Among the latter was the Crown Point, under the control of Alvinza Hayward and J. P. Jones, the group later known as the Con. Virginia, under the management of Flood, Mackay, Fair, and O'Brien, and the Belcher, under his own direction and operation. The Crown Point was in search of a continuation of the ore body which he had already exhausted in the Yellow Jacket and the Kentuck.

Meanwhile in San Francisco Ralston, following out his ambitious and generous efforts for the advancement of California industries and for the development of its resources, had used his personal means in aid of many enterprises which to him had seemed legitimate projects for the increase of local prosperity.

He had helped to found and had fostered the Mission and Pacific woollen mills, the Kimball Carriage Manufacturing company, the Oakland Watch company, and the Culp Tobacco company of Gilroy, and had advanced a fortune to Harpending, which was used in the construction of the Harpending block of stores and the Grand hotel on Market street. He had also invested another fortune in the project of opening New Montgomery street, and in the purchase of the street-way and of the lots upon each side of it, and in erecting costly rows of buildings upon



them. But most of these projects were not warranted by existing conditions. The cost of labor and coal was high, and it was impossible to start manufacturing enterprises to compete with eastern establishments. Ralston's ventures were attended with great loss and expense, and the enormous amount of money swallowed up by them had absorbed the profits which Sharon had made for Ralston in Nevada.

To meet these drains for money, and to preserve his own credit from becoming impaired, Ralston had availed himself of his position and influence with the bank to obtain temporary pecuniary assistance. It followed as a natural result that when the new ore bodies opened by Sharon in the Kentuck, Yellow Jacket, and Chollar had become exhausted, and the burden of indebtedness to the bank at the same moment hung over Ralston, anxiety and alarm as to the consequences siezed both the creditor and the debtor. Ralston turned to Sharon for some comforting hope of other Comstock developments. He revealed to him the peril which threatened himself and the bank. He informed Sharon that unless the Comstock should come to his aid with a new bonanza he could not liquidate his large indebtedness, and the bank would be compelled to suspend.

Sharon bade him not despair, and reminded him of the crisis through which the bank had safely passed in 1864. He infused into him his own faith in developments of ore certain to be found. He encouraged him with his own hope that work then progressing in the deep levels of Crown Point and Belcher would not be fruitless. The profits of the railroad and the mills, from low-grade ores, of which there was abundance, were large, and he urged Ralston to rely upon these until the needed bonanza could be found.

Strengthened by Sharon's courage, faith, and friendship, Ralston gathered his energies, and set himself to work at recuperation. He realized what he could from the enterprises with which he had be-

come entangled, closing out those which were unsuccessful, and withdrawing from those which could stand without him. The danger of the financial catastrophe remained a secret, and a torturing one, to all concerned, but before it reached the point of explosion the relief came. Sharon's expressed hope had proved a prophecy. The Crown Point found the ore body of which it was in search, while at the same time the stock of the Belcher mine, which was next adjoining, was selling in the market at only one dollar per share, or about ten thousand dollars for the entire capital stock. Mr. Sharon and Mr. Ralston purchased nearly the whole of it, upon the judgment of the former that the ore discovered in Crown Point would extend into the Belcher ground.

Work of exploration was rapidly pushed, and in a few months the greatest bonanza which the Comstock had thus far produced was uncovered. Ralston was himself again, and the bank argosy sailed once more on placid waters.

Million upon million in a constant stream of bullion flowed from the Carson mills into the Bank of California. Nevada throbbed with excitement and resounded with activity, the population of the two towns of the Comstock swelled swiftly to 30,000. In the Stock and Exchange board shares of Comstock mines rose in market value as though each mine were, or soon would be, another Belcher.

Mr. Mills had retired from the presidency of the bank, and Ralston had succeeded him. The directors, who in 1864 had been doubtful that Sharon was the right man to take charge of the branch bank, now invited him into the directorship of the parent institution.

The great product of that bonanza fell, primarily, to Sharon and Ralston, they being the principal owners of the Belcher stock. But the sudden acquisition by them of so much wealth taxed and tested their ability and angenuity to use it wisely.

Influenced by his escape from existing embarrass-

ment and by the great accession of his fortune, Ralston entered upon a fresh career of adventure and extravagance that dazzled the community. He built a princely residence in San Francisco at a cost of three hundred thousand dollars, and at Belmont, in San Mateo county, another, which with its grounds and furnishing cost a million. He entertained with regal magnificence every distinguished visitor to the state, and excursion parties that came out from the east to behold the wonders of California. So noted was his fame for hospitality that no one who visited the Pacific coast felt that he had seen its wonders unless he had been a guest at the Belmont palace. Liberal and generous to a fault, he became the victim of imposition by many who had no personal nor business claim upon his kindness.

He was thoroughly imbued with the idea that he could stimulate the growth of California, and force development of its wonderful natural resources; and he had an unbounded ambition to be the head and front of any undertaking to that end.

He was willing and eager to be the Atlas on whose shoulders might rest the state in its glory and its growth. Illustrative of his credulity as well as of his generosity, he was induced through the devices of one Arnold, and the influence of Harpending, whom Arnold had fascinated with his deception, to invest a large amount of money, and to persuade his personal friends to do likewise, in the purchase and acquisition of the so-called diamond-fields of Colorado.

Upon the discovery of the fraud that had been practised upon him, he not only philosophically accepted the loss of his own investment, but with magnanimity restored to all his coadjutors every dollar they had paid. The aggregate of this loss to him was not less than five hundred thousand dollars.

He invested not less than a million dollars in shares of gold, silver, quicksilver, gravel, and hydraulic mining companies, in steamboats and canal stock.

Upon the large Market street lot he conceived the idea of erecting a hotel that should have no rival elsewhere. Upon estimates which he had made, that its entire cost, including the cost of the lot which he and Sharon had purchased, should not exceed \$1,750,000, he persuaded the latter to join him in the enterprise. Before the foundation of the structure had reached the level of the street the estimated amount had been exhausted.

As an adjunct to the hotel, he organized and supplied the money for the West Coast Furniture company, its main purpose being the manufacture of the furniture for the great caravansary.

Sharon, though a participant in the hotel speculation, had too much pride to withdraw after the commencement of the undertaking. Having abundant means of his own, and believing that Ralston was as strongly fortified, he yielded its construction wholly to Ralston's administration. It was carried to completion as regardless of cost as might an Egyptian king have built a pyramid. Its foundation walls were made twelve feet in thickness, and beneath its huge central court was constructed a reservoir containing 650,000 gallons of water supplied by four artesian wells below it. Above the basement seven stories were built, the lowest twenty-seven and the uppermost sixteen feet in height. It contained a total of 755 rooms for guests, nearly all of which were twenty feet square, and to all of which every modern improvement for comfort and convenience was supplied. Thirty-one millions of brick were used in its construction, and three thousand tons of iron in the bolts and rods and bands which extended through every floor in both directions from side to side, binding its walls to each other. Five elevators, in addition to four broad stairways from street to roof, supplied the means of ingress and egress. Its furnishing was appropriate to its structural magnificence. When opened to public patronage it is

said to have cost six million five hundred thousand dollars.

Considering Ralston's previous experiences and perils in financial yachting, one might suppose that he would have avoided the shoals and reefs on which he had before so nearly wrecked. That he did not do so can only be attributed to a delusion that his extravagance would so promote the growth and prosperity of the state as to create support to his enterprises, or was because his faith in Sharon's Comstock success infatuated him with the belief that fate would send him a bonanza when he should need it.

In the midst of these extravagances occurred the discovery of the Consolidated Virginia, the greatest of all the bonanzas, and the top of which was struck at about 1,200 feet from the surface. This mine was in the control of and operated by Flood, O'Brien, Mackay, and Fair, all men of moderate fortune at the date of the discovery. Their work of deep exploration had been due to, or at least mainly encouraged by, Sharon's successful developments at depths below a thousand feet.

Upon the opening of this bonanza and the development of it northward through the California ground—which was also in the control of the same four parties—to the south line of the Ophir ground, Ralston, whose supposed money power was in danger of eclipse by the greater wealth of the new firm, was induced to believe that the Ophir contained the richest part of the great bonanza.

Contemporaneously, Mr Sharon, finding his health impaired by ten years' constant attention to multifarious duties at Virginia City, and having consented to permit his name to go before the legislature of Nevada for the United States senatorship, was in January of 1875 elected by that body as senator for the succeeding six years. He immediately surrendered his agency of the affairs of the bank at Virginia, and of the other business interests of which he



had been in charge, and the brother of Ralston was substituted in his place.

Sharon knew comparatively little of the management or condition of the parent bank. He trusted its conduct to Ralston, in whom he had a profound confidence and for whom he felt a very sincere affection almost down to the hour of Ralston's tragic death. Up to August 1875, the bank had a severe struggle for existence, and was many times on the verge of suspension, if not failure, but was brought through its difficulties from time to time by the desperate courage and methods adopted by Ralston, and which were wholly concealed from Sharon and most of his associates in the bank. Indeed, so great was his confidence in its stability and in the good management of Ralston, that early in the summer of 1876 he consented to become a purchaser of a considerable quantity of its capital stock, at a premium of \$25 per share, when the stock was in fact practically worthless, and the bank on the verge of bankruptcy.

Ralston determined, notwithstanding the loss of Sharon's presence on the Comstock, to secure the control of the Ophir mine and its imagined bonanza. In fact, he now realized with dread foreboding that another bonanza was imperatively needed to keep up the extravagances and enterprises by which all his means had been absorbed, and from which he could not withdraw without disaster. Besides, he had borrowed large amounts from Sharon, and had drawn largely on the resources of the bank, and its solvency was more dependent upon his success.

Other parties entered the field of contest for the Ophir, and its market price ran up to over three hundred dollars per share, the capital stock consisting of 108,000 shares. The available assets of the bank became exhausted, Ralston could neither sell the shares which he had purchased nor sustain their market value, the stock broke to less than fifty dollars per share, there proved to be no bonanza in the

mine, and on the 25th of August, 1875, the Bank of California, unable to pay its depositors' checks, closed its doors, with liabilities exceeding fifteen millions of dollars, and with less than thirty thousand dollars of coin on hand.

San Francisco shuddered as with the tremor of an earthquake. The pulse of the body politic was paralyzed, its limbs were motionless, and a solemn silence betokened dread of some invisible evil.

Thus the enterprises entered upon by Ralston with the best of intentions ultimately became not only the destroyers of his own fortune, but also the destroyers of the bank, and led him into a course of action which subjected him to the danger of criminal prosecution. But he was a man of great pride of character, strength of will, and rare secretiveness, and had great control over men, and for a long time he succeeded in concealing the condition of the bank from the directors, and maintained up to the very day of its failure an appearance of absolute composure.

But when the crash came the directors called Ralston to account. He met them, and made no concealment, no excuse. He was debtor to the bank over four millions, to Sharon two millions, and to others about three and a half millions, a total of nine and one half millions of dollars. His assets amounted to about four and a quarter millions. They were amazed, none more so than Mr Sharon. They were excited and bewildered, but none less so than he. They requested his resignation in writing, and with the utmost composure he complied. Life to Ralston now was nothing without the confidence and respect of his fellow-men, and he determined to end the struggle. On the day after the closing of the bank's doors, and even as its directors sat in perplexed deliberation, he calmly walked through the side door into the street, thence to his accustomed bathing-place at North Beach, and in an hour was found floating upon the water, dead.

Pity, sympathy, and gratitude took him tenderly and laid him gently in Lone Mountain.

The gloomy tragedy of his death has been eloquently referred to by Francis G. Newlands, in his remarks as attorney for the defendant in the suit of the Odd Fellows' Bank against the Bank of California. Said the "A" wave of emotion swept the city, involving all classes and conditions of life. The forces of society, which had this unfortunate man lived, would have gathered themselves into a wave of indignation against him in the face of what sad death gathered into a wave of destruction for his enemies, and finally sank into a deep and quiet swell of pity and sympathy, turning to oblivion to his faults and remembrance only of his virtues.

The stranded bank seemed hopelessly lost. Its capital was five million dollars; the deposits amounted to about seven millions more; all these accumulations were involved in the failure. As the other banking institutions in the city were in a manner allied with the Bank of California, their suspension was certain unless the latter was restored, and if it were not restored the state would be in liquidation for many years and enterprise would be paralyzed. In this condition of things, when all men were hopeless and discouraged, when the business of the entire coast was about to sink into apathy and despair, and when the bank, under the advice of counsel, was about to go into bankruptcy, Sharon, accustomed to emergencies, and quick in mental action, devised a plan for restoring the bank. His idea was to form a syndicate which should take all the stock of the bank at a small valuation, restore its capital, guarantee the depositors against loss, and redeem and carry on the business of the bank. He called the directors together to lay this plan before them. With earnest eloquence, appealing persuasion, and prophetic promise, he addressed that disheartened body.

"Whatever there may be in the internal adminis-



tration of the bank to condemn," said he, "it is not the work of this moment to investigate or portray. Every one present is, directly or indirectly, allied in interest with the Bank of California. What this bank has been and what it has done in the service of the interests of this coast, you all know. Founded in the earlier days of our ambition, it should live the lasting monument of our sagacity, our energy, and our just pride. A month ago such seemed to us a certainty. To-day this bank and all its fair credit appears engulfed in total loss. This hour will decide whether your opinion shall be united with mine, that it is worthy of perpetuation, and whether the pillars of this edifice, weakened by this heavy strain, shall totter and fall without promise, or whether we shall give to them our united aid and support.

"In financial affairs it will be well for us to remember that courage has its hour of trial, and victory its sufficient joy. But submission to defeat is to invite greater misfortune, and to multiply miseries.

"With our fortunes let us reestablish this bank upon an absolutely safe foundation. Let us make up by new subscriptions its lost capital, make its name and credit stronger and surer than it has ever been, and give fresher and healthier vitality to the vast interests of the people who are to-day palsied with fear and apprehension. The power to so do is with us, as is the duty. Shall we not be men worthy of California? Here I offer to you a subscription paper for that purpose, and to it I put my name for a million dollars. And if that do not suffice, I will risk all I have of fortune or of life so that the bank be reestablished."

It was a proud moment for him, the hero and orator of that occasion, when one by one those directors, whose combined fortunes equalled a hundred millions, gave their approval and their names to that subscription list. Seven million eight hundred thousand dollars was the sum total thus guaranteed.

A month sufficed to arrange the details of rehabilitation. On the 2d day of October, 1875, the doors of the bank were reopened in the presence of thousands of citizens of San Francisco, and amid the congratulations of the public, and the renewed and redoubled confidence of its patrons, whose deposits on the first day of the reopening aggregated nearly \$1,500,000. The whole coast was saved from bankruptcy, and to-day the Bank of California is the leading institution of its kind on the Pacific coast.

It is believed that the history of banking enterprises does not exhibit a parallel to the case of the Bank of California, and the infinite credit given to all those who participated in this rehabilitation of a completely bankrupt institution was mainly due to the wisdom, courage, and personal and pecuniary sacrifices of Sharon. It would be difficult to describe the extraordinary effort of mind and physique involved in this work. During the period which followed the closing of the bank to its recommencement of business, he scarcely ever rested. He labored day and night to resuscitate the bank. His vitality seemed to be intense. He was the controlling spirit, everywhere guiding, exhorting, and sometimes threatening. The courage, endurance, and powers of leadership shown by him during this emergency were remarkable, and on the evening of the day following the reopening of the bank, a thousand people gathered in the brilliantly illuminated court of the great hotel, and with cheers and music signified their admiration of the triumphant man. He responded to this ovation with a speech that was characteristic of his modesty, and exhibited his warm regard for his friend and associate who gave up his life as a sacrifice for the consternation he had wrought. He said, in part:

"I should fail in a duty I owe to you if I forbore to express the emotions and kindly sentiments which I am proud to say this day have been awakened in your hearts as well as in mine. This has been a great



day for San Francisco, for California, and for the entire Pacific coast. It has been a day of triumph, which belongs to no single-handed conqueror, over adverse circumstances. It is rather the property of every citizen who has been faithful and hoping during the past thirty days of financial doubt and dismay. Yet, in the crowning hour of victory, in the presence of the grand witness of your skill in the mechanical arts, in this glorious temple of hospitality, amid all this flood of light and music, I experience a sense of almost overpowering sadness. I miss, as you do, the proud and manly spirit of him who devised this magnificent structure, and under whose direction and by whose tireless energy it has mainly been reared. I mourn, as you do, that he is not with us to enjoy this scene of beauty, and I offer here with you the incense of regret and affection to his memory. Peace be to his ashes! Whatever is or may hereafter be said of his career, one thing is certain, his energies were exerted for the development of this city and the state, and are the pride of his fellow-citizens."

The task of settling the confused personal affairs of Ralston, which was devolved upon Sharon, was itself not an easy one. His sudden death left his estate hopelessly embarrassed. His assets were of unknown value, and not easy to define. In a sense, his estate was liable for all the debts owed by the then insolvent Bank of California. From the chaos of this business Sharon also brought order. He handled the assets with infinite address. The complications in his own affairs arising out of these difficulties were neither few nor slight, but he emerged successfully from them all, but not without sustaining a loss to himself of over \$2,000,000.

From that time Mr Sharon devoted himself wholly to such business of the bank as demanded his attention, to his political duties in the senate of the United States, and to the settlement of the claims against and the realization of the assets of the estate of his